Development (1941) Department.

Ms SERIES

| | |
|---|---|
| G.O. No. | 254 |
| Dated | 10-2-41 |

---

[Despatch Abstract.]

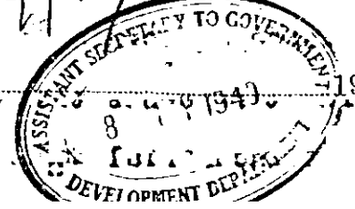
Acts and Rules - State aid to Industries Act - Application from Sri V. Sivaram Bhat Hebbal for loan - Sanction.

C.F. 30.

S No 8
No 1999 11 Dev
U.S. January

DEPARTMENT.

Received ..... 19.




Registered 12999 19

Subject

State Aid to Industries Act - Application from Sri V.Sivaram Bhatt, Hospet, for a subsidy of Rs.500 under the - Submitting.

U.S. Dev. Dept

With reference to M.O. below it is submitted that these papers may now be lodged. Further recommendation of the Board of Industries may on receipt be considered on its merits

Enclosures.
No. 3
Spare copies

No. S.A.1173/39.

Station Madras, Dated the 6th May 1940.

From (Name) L.B.Green Esq...O.B.E..
(Designation) Director of Industries and Commerce,

To The Secretary to the Government of Madras,
Development Department.

Sir,

Sri V.Sivaram Bhatt, Proprietor, the Cottage Industries Hospet, Bellary district, has applied for a subsidy of Rs.500 under section 6(c) of the State Aid to Industries Act for the purpose of starting the cottage industry of oil pressing. I enclose for the information of Government, a copy of his application, together with a copy of the note circulated to the Board of Industries and an extract from the Proceedings of the meeting of the Board held on 18th April 1940.

2. There appear to be no industrial assets at present. Out of the subsidy, if granted, the applicant proposes to

spend

2



about Rs.300 on the purchase of oil milling apparatus and the construction of sheds and to utilise the balance as working capital for the initial month of working. The applicant requests that the subsidy may be granted gratis. The Assistant Industrial Engineer Bezwada, who inspected the proposed place of business of the applicant, appears to think that the venture is likely to prove profitable. It is open to Government in this case, to assist the industry in any manner they may determine with reference to the provisions of section 20(e) of the Act.

3. The security offered by the applicant consists of landed properties and a house. Their value is estimated by the Revenue authorities at Rs.900/- and Rs.400/- respectively. The security offered is sufficient to cover the amount of Rs.500 applied for as subsidy.

A ✓ p11 below
B ✓ p12 below

4. The application was considered at the meeting of the Board of Industries held on 18th April 1940, when the Board resolved unanimously to adjourn the consideration of the application until the next meeting of the Board, as the Board saw no sufficient justification to recommend that the assistance applied for should be given in the form of an outright subsidy. I have addressed the applicant, as desired by the Board, for information as to whether he would be prepared to accept a subsidy repayable after a fixed term of years or a loan under the Act.

p19 below M

5. The applicant has applied for another subsidy of Rs.400/- under the Act for developing the hand-made paper industry and this was considered separately by the Board of Industries.

This will be dealt with separately on receipt

Director of Industries and Commerce.

G.M.

Note for the Board of Industries.

---

Application from Sri Sivarama Bhatt, Proprietor, The Cottage Industries, Railway Station Road, Hospet for a subsidy of Rs.500/- under the State Aid to Industries Act.

---

Attached is a copy of an application from Sri V.Sivaram Bhatt, Hospet, for a subsidy of Rs.500/- under section 6(c) of the State Aid to Industries Act for the purpose of starting the cottage industry of oil pressing. The applicant has undergone training in oil pressing at the All India Village Industries Association at Wardha at the expense of the Madras Government. The applicant states that he proposes to conduct the industry in the choultry of Sri Kudarimati Kotriah. Apparently three or four sheds have to be erected and this is expected to involve an expenditure of aoout Rs.100/-. It is stated that the requisite oil seeds for pressing, such as, gingelly, castor, kardi and groundnut are available in plenty in the locality. The applicant anticipates a profit of Rs.320/- per annum. There appear to be no industrial assets at present. Out of the subsidy if granted, the applicant proposes to expend about Rs.300/- on the purchase of oil milling apparatus and the construction of sheds and to employ the balance of Rs.200/- as working capital for the initial month of working. He proposes to utilise the profits accruing from the sale of oil and oil cake for meeting the recurring expenditure. It is usual, however, in business concerns to provide for three months working capital.

The Assistant Industrial Engineer, Bezwada, who inspected the proposed place of business of the applicant appears to think that the venture is likely to prove profitable but it will be noted that his estimate of profit exceeds considerably that of the applicant himself. A copy of the

~~Asst~~

Assistant Industrial Engineer's report is enclosed. The applicant requests that the subsidy may be granted gratis, or in other words, that Government should not insist on its repayment in any form. According to the first paragraph of section 16 of the Act, read with rule 19-A of the Rules framed under the Act, a subsidy is ordinarily repayable after a fixed term of years. For a subsidy to be repayable, it is necessary that there should be some security or assets at least equal to the amount of the subsidy applied for. Oil pressing can be considered to be a village industry since it forms the normal occupation of a certain class of the rural population, and may be brought under section 1-A(ii) of the Act. In this case, it is open to Government to assist it in any manner they may determine with reference to the provisions of section 20(e) of the Act. The applicant who is the only son of his father offers two plots of land in Singanathariahalli village and a house in the Hospet Municipality. Their valued is estimated by the Revenue authorities at Rs.900 and Rs.400 respectively. The security offered is immovable, and is sufficient to cover the amount of Rs.500/- applied for as subsidy. A copy of the Sub Collector. Hospet report dated 5th December 1939 is attached. The Collector agrees with the report of the Sub Collector.

The applicant has applied for another subsidy of Rs.400/- under the State Aid to Industries Act for developing the hand made paper industry and this is being placed before the Board separately for consideration.

The views of the Board aredesired on the application and if theyare disposed to view it favourably as to whether they consider that the financial assistance applied for should be granted in the form of an outright subsidy or made repayable for a fixed term of years.

---

Application for aid under the State Aid to Industries Act 1922 (No. V of 1923).

---

1. Name of applicant and his full address.

Vadiyar Sivaram Bhatt, Proprietor, The Cottage Industries, (Railway Station Road)? Hospet, Bellary Dt.

2. Nature of the industrial concern for which aid is sought.

Cottage Industry in Oil Pressing.

3. The administrative, technical and executive staff existing or to be appointed with qualifications.

One Manager, who has been trained in the All India Village Industries Association, Wardha, C.P., to direct supervise and control the concern. Six coolies - Four women and two men to work the industry.

4. The facilities available for the development of the industry.

Within a radius of 40 Miles the raw materials such as gingelly, Castor, Kardi seeds and locally groundnuts are available in plenty.

5. The nature of the processes to be employed.

Partly by man power and partly by animal power.

6. Details of plant and machinery installed or proposed to be installed at the works

One Ghani made at the All India Village Industries Association Institute, Wardha, driven by one bull. One grinding stone, three sieves (One large and two small). I will have to change the bullock after two charges. I require two bullocks to work the industry. Each bullock cannot work more than four charges a day.

7. The total estimated cost of the undertaking and the probable time that will be occupied in its execution. (Details of recurring and non-recurring expenditure should be furnished separately).

Estimated Expenditure per annum.

Non-Recurring.

| | Rs. | As. | Ps. |
|---|---|---|---|
| Ghani | 40 | 0 | 0 |
| Luggage charges for above. | 30 | 0 | 0 |
| for Two bullocks | 100 | 0 | 0 |
| Grinding stone | 20 | 0 | 0 |
| Sieves (One big two small) | 30 | 0 | 0 |

P.T.O.

| | | | |
|---|---|---|---|
| Scales (Big size | Rs. 10 | 0 | 0 |
| Construction of Sheds | 100 | 0 | 0 |
| Cooly for fixing the machinery | 10 | 0 | 0 |
| Total. | 340 | 0 | 0 |
| Recurring | | | |
| Replaceable parts 1 set | 5 | 0 | 0 |
| Pestles 4 | 20 | 0 | 0 |
| Raw material | 1,800 | 0 | 0 |
| Cooly | 720 | 0 | 0 |
| Grand Total. | 2,885 | 0 | 0 |

8. Approximate number of operatives employed or to be employed.

Six coolies - Four women and two men.

9. Estimated net expenditure per annum in running the works.

Rs. 2,885 0 0.

10. Estimated net profits accruing.

Between Rs.350 and Rs.400.

11. Reasons why the business cannot be financed without State assistance.

The applicant is poor and by himself is unable to undertake this business. The Western Taluks of our District are also poor and there is little response from the public to finance such undertakings. To approach the money-lenders would be ruinous to the enterprise also.

12. Nature and extent of State aid applied for. (The particular clause of section 6 under which the aid is applied for should be stated).

Subsidy of Rs.500 Under Section 6 Clause (c) of The Madras State Aid to Industries Act, 1922.

Questions 13 to 18. Answers Nil.

19. Approximate additional net income expected to be earned as a result of the proposed expenditure.

Between Rs.350 and 400.

20. If the application is from a joint stock co. etc.

Nil.

21. Any other remarks.

In the present Market pure oil is not available. By producing oil by refined methods I expect there will be a good demand for the same. Kardi oil, Gingelly and Coconut oil and groundnut oil are much in use in this place. So by preparing these oils and by local sympathy I expect to find a good market for the said commodities.

Declaration:- I, Vadiyar Sivaram Bhatt, declare that the statements made above are true to the best of my information and belief.

Hospet, dated 22nd October 1939. Sd. V. Sivaram Bhat, 22-10-1939.

- -

Copy of Sub Collector's Report (Hospet).

I inspected the cottage industry and find that Sri V. Sivaram Bhat was originally for 9 years a pleader's clerk on Rs.15/-. He went to Wardha for 5 months on a Government subsidy of Rs.15/- per mensem with Railway fares to and fro. For some months past he has been working at hand-paper making in Kudrimoothi Kotrayya's Choultry whose owner has placed two rooms and a shed at his disposal free of rent. He has about 200 to 300 sheets of blotting papers and some quantities of glazed white paper species of which he has supplied to the District Congress Committee and some other Members of the Legislative Assembly.

2. His business assets consist only of an iron container, for agitating the pulp and some pots and arrangements for crushing into pulp and some sieves. I don't think it will be worth more than Rs.25/- in all.

3. The parents to whom he is the only son, possess wet lands as detailed below:-

| | |
|---|---|
| Singanathanahalli village P. No.15 | 4.20 |
| or S.No.25/1 | 5.0 |
| do. 16. | |

These lands are valued by the Tahsildar at Rs.900/-. These lands

A

Besides he owns a house in ward IX bearing door No.2335 of the Hospet Municipality assessed at an annual tax of Rs.1-15-3. This is valued at Rs.400/-. The annual income from the lands is valued at Rs.200/-. He and his parents have no other source of income. The applidant is said to have received an allowance of Rs.100/- from the Karnataka Provincial Congress Committee. He says he has spent the entire money on paper making. Till now he has turned out no papers in marketable quantities. He thinks that the cost of making would be about Rs.3/- as against Rs.2/- per ream, the selling price of similar machine made paper. He thinks that the only kind of paper for which there might be a normal market is special quality paper fit for documents etc. Any how he does not expect more than Rs.10/- per month profit even if business is done and four coolies are employed daily. B

4. His father is understood to have wasted some of the property, but there is nothing agsinst the petitioner himself. He appears to be fairly keen. But if he is so certain of his prospects he should have no objection to offer his property referred to as security. C

5. Regarding the oil press, he has done so far nothing towards putting up or working it. He intends to use an improved for of press to that used by the ordinary village oil monger, yielding a larger percentage of oil and costing about Rs.30/- each. In other respects there is to be no difference in the process. The result hoped for by this venture can be equally satisfied by grant of loan for purchase of the improved press to the existing village oil mongers. But of the two propositions, I think the oil press is more useful, provided the press referred to, by him is really an improvement over the village pattern. I do not think there is or can be much prospect for handmade paper while an improvement in the extraction of oil will be definitely hopeful, in view of the large number of village oil presses, and the fact that a

major portion of the oil supply must come from that source for a long time to come. As already stated above, the applisants conduct and character is satisfactory and though he has achieved nothing to enable an estimate of the business capacity he seems to evince interest.

E

---

Copy of letter from the Assistant Industrial Engineer, Bezwada, to the Director of Industries & Commerce, Madras.

---

I inspected Sri Kudarimoti Kotriah choultry, Hospet, on 1-12-39 wherein Sri Sivaram Bhatt is having handmade paper industry on cottage industry basis. The applicant has not started the industry. He proposes to start it on receipt of the aid applied for. The applicant it appears has been sent to Wardha at State expense as an apprentice in oil pressing industry.

He has only some paper making materials to the value of nearly Rs.100/- the details of which have been furnished in my report on the paper industry.

He wants to purchase and install at Hospet one maganwadi bullock driven oil ghanni from the All India Village Industries Association at Wardha at a cost of about Rs.50/- and work it and supply pure edible oil for local consumption.

One bag of gingelly seed of 100 seers (200 lbs) will cost Rs.12-8-0.

Assuming that he borrows Rs.500/- to be liquidated in 5 years, the working cost per day comes to the following:-

| | |
|---|---|
| Capital | 0--4--6 |
| Interest on capital | 0--1--4 |
| Depreciation | 0--2--3 |
| Seed in 12 charges per day | 12--8--0 |
| One woman cooly | 0--3--0 |

| | |
|---|---|
| Male cooly | 0--4--6 |
| Oil man | 0--8--0 |
| Bullock straw | 0--8--0 |
| Proprietor's cool | 0--8--0 |
| Sundries | 0--1--0 |
| | Rs. 15--0--1 |
| say | Rs. 15--0--0 |

100 seers (or 200 lbs) of gingelly will yield 80 lbs. of oil and 120 lbs. of cake.

If the oil is sold at 9 annas for every 3 lbs. he would get Rs.15-0-0 for 80 lbs. of oil and Rupees 2-8-0 for 120 lbs. of cake (rate for 48 lbs. of cake is Rs.1-0-0). He may therefore safely get Rs.2-6-0 as profit per day. | H

The party wants to utilise Rs.150/- as initial capital for ghani, bullock, and for erecting shed and the balance as working capital.

He told me that he has got 4 acres of wet land which he wants to mortgage to the Government to get the State Aid of Rs.500/-.

Since the applicant has been sent at State expense to Wardha for learning oil pressing industry, I recommend that he may be granted with the State Aid applied for, if the security offered by him is adequate. | M

---

**Extract from the proceedings of the meeting of the Board of Industries held on 18th April 1940.**

--

(10) Application from Sri V. Sivaram Bhat, Proprietor, The Cottage Industries, Hospet, for a subsidy of Rs.500/- under the State Aid to Industries Act for the purpose of developing the cottage industry of oil pressing.

Read note by the Director of Industries and Commerce dated 15th April 1940 and connected papers.

Resolved unanimously to adjourn the consideration of the application until the next meeting of the Board. The Board sees no sufficient justification to recommend that the assistanc applied should be given in the form of an outright subsidy. It may be ascertained from the applicant whether he would be prepared to accept a subsidy repayable after a fixed term of years or a loan under the Act.

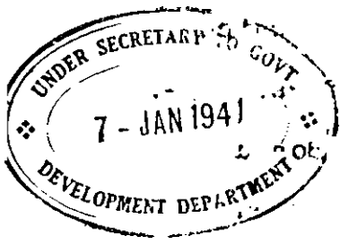
C.F. 30.

Industries & Commerce **DEPARTMENT.**

*Received* ..... 19 . *Registered* ..... 756 D/41 7.1.41

*Subject.*

State Aid to Industries Act - Application from Sri V. Sivaram Bhatt, Hospet, Bellary district for a subsidy of Rs.500/- under the Act for the purpose of developing the cottage industry of oil pressing.




ENCLOSURES.
No.
Spare copies

No. S.A. 1173/39.

*Station* Madras, *Dated the* 5th January 1940

*From* (Name) L.B.Green, Esq., O.B.E.,

(Designation) Director of Industries & Commerce.

To The Secretary to the Government of Madras,

Development Department.

Sir,

As already reported to Government in my letter No. S.A. 1173/39, dated 6th May 1940, the application of Sri V. Sivaram Bhat, Proprietor, the Cottage Industries, Hospet, for a subsidy of Rs.500/- under the State Aid to Industries Act, for the purpose of developing the cottage industry of oil-pressing, was considered at the meeting of the Board of Industries held in April 1940 and the Board resolved to adjourn the further consideration of the application until the next meeting of the Board. I enclose for the orders of Government, a copy of the note circulated subsequently to the Board of Industries and an extract from the Minutes of the Proceedings of the meeting of the Board

22



held on 2nd December 1940.

2. It will be seen from the notes circulated to the Board of Industries that the applicant who was addressed for information as to whether he would be prepared to accept a subsidy repayable after a fixed term of years or a loan under the Act, has replied that he is willing to accept a loan, repayable in five annual instalments. The security offered, consisting of a land and a house, the estimated value of which amounts to Rs. 1300/- is sufficient to cover the loan of Rs. 500/-.

3. The revised application was considered by the Board of Industries at its meeting held on 2nd December 1940, when the Board resolved unanimously to recommend the grant of a loan of Rs. 500/- repayable in five annual instalments, since the security for the loan is adequate and there appears to be scope for the development of the oil-pressing industry in the area.

Director of Industries & Commerce.

VRN.

Note for the Board of Industries.

---

Application from Sri V.Sivaram Bhat, Proprietor, The Cot age Industries, Railway Station Road, Hospet, for a subsidy of .500 under the State Aid to Industries Act, for the purpose of developing the cottage industry of oil pressing.

---

It will be recalled that the Board at its meeting held in April 1940 considered this application for aid and resolved as follows:

P194(D) "Resolved unanimously to adjourn the consideration of the application until the next meeting of the Board. The Board sees no sufficient justification to recommend that the assistance applied for should be given in the form of an outright subsidy. It may be ascertained from the applicant whether he would be prepared to accept a subsidy repayable after a fixed term of years or a loan under the Act"

Accordingly, the applicant was addressed for information as to whether he would be prepared to accept a subsidy repayable after a fixed term of years or a loan under the Act. He has replied that he is willing to accept a loan, under the State Aid to Industries Act, repayable in five annual instalments.

The security offered consists of land and a house, total value of which as estimated by the Revenue authorities, amounts to Rs.1300. It is sufficient to cover the loan of Rs.500.

The views of the Board are desired on the application.

---

The Minutes of the Proceedings of the thirty-eighth meeting of the Board of Industries constituted under the Madras State Aid to Industries Act, 1922 (Act X of 1923) held at the Office of the Director of Industries and Commerce, Madras on Monday the 2nd December 1940 at 3 P

Present

Chairman.

(1) Mr.L.B.Green, C.B.E.,
Director of Industries and Commerce.

Members.

(2) Mr.W.S.Scott Brown, C.I.E., I.C.S.,
Secretary to Government, Finance Department.

(3) Mr.C.A.Venkataraman, I.C.S.,
Registrar of Co-operative Societies,

(4) Sri Diwan Bahadur A.Apparaurai Pillai, M.A., L.S.O., M.L.A.,

(5) Sri Diwan Bahadur V.Shanmugha Mudaliar.

(6) Mr.F.Howard Oakley.

(7) Khan Bahadur Adam Hajee Mohammad Sait Sahib Bahadur.

(8) J.M.Jamal Sahib Bahadur.

(9) Mr.D.G.Davidson.

(10) Sri Vavilla Venkateswara Sastrulu.

(11) Sri T.T.Krishnamachariar, M.L.A..

Before proceeding with the consideration of the several items comprising the agenda, the Chairman welcomed the new members, Sri Diwan Bahadur V.Shanmugha Mudaliar, and Khan Bahadur Adam Hajee Mohammad Sait Sahib Bahadur.

The Chairman read a letter from Sri C.M.Kothari regretting his inability to attend the meeting owing to his absence from Madras.

The following applications were then considered:-

* * * * *

**(3) Application from Sri V.Sivaram Bhat, Proprietor, The Cottage Industries, Hospet, for a subsidy of Rs.500/-, under the State Aid to Industries Act, for the purpose of developing the cottage industry of oil pressing.**

**Read note by the Director of Industries and Commerce dated 16th November 1940 and connected papers.**

Resolved unanimously that the Board recommends the grant of a loan of Rs.500/- repayable in five annual instalments since the security for the loan is adequate and there appears to be scope for the development of the oil pressing industry in the area.

• • • •

BY

Dy. Dept.

Arts & Rules - Small Ind. & Industries Act -
Application from Sri V. Sivaram Bhatt,
Hospet for a loan of Rs 500/-.

[CRO 756 of 41]
(p 1-6 c F)

[From the file of CRO. SA 1173/39 & S. 1. 40]

To us.

M at p 9 (D)

Sri V. Sivaram Bhatt, Hospet originally applied for a subsidy of Rs 500 under Section 6(c) of the Small Ind. & Industries Act but he has since agreed to take a loan of that amount repayable in five annual instalments. The applicant has undergone training in oil pressing at the All India Village Industries Association at Wardha at the expense of Govt. The oil milling industry is yet to be started and there are no industrial assns at present.

A at p 2 c F

B at p 3 of (D)

K at p 1 (D)

A at p 5 (D)

The industry can be considered to be a "village industry" since it forms the normal occupation of a certain class of the rural population & may be brought under 1. A(i) of the Act and aided under Section 20 (c) of the Act.

-do-

B at p 2 c F

The security offered is sufficient to cover the loan applied for. The applicant anticipates a profit of Rs 320 per annum while the Asst. Industrial Engineer expects the profits

K at p 3 (D)

28
-2-

even
will be higher.

The Board of Industries has recommended the grant of the loan. The Sub Collector, Hospet has interviewed the applicant and seems to be favourably impressed. The Asst. Industrial Engineer Bezwada has also recommended the loan. It is for orders whether the Boards recommendation will be accepted. The case may be sent to Finance for remarks.

Cat p3 (D)
& Hat p17 (D)
p6 c F

x vide cat p13 c f (D)
& E at p14 c f (D)
M at p17 c f (D)
— p5-6 c F

Ag
16/1

DJG
16/1/41.

The recommendation of the Bd. of Industries that a loan of Rs 500/- be granted may be accepted.

UNDER SECRETARY TO GOVT.
29 JAN 1940
DEVELOPMENT DEPARTMENT

19.1.41 Ag.
S

Dev

Dev memo 756 Dev-1
27. 1. 41.

Finance (Exp)
May be accepted
Ag
28.1.41

ASST. SECRETARY TO GOVERNMENT
28 JAN 1941
FINANCE DEPARTMENT

Fin memo 02915 Exp-1
29/1/41

29/1

Dev. Dept.

ASSISTANT SECRETARY TO GOVERNMENT
29 JAN 1941
DEVELOPMENT DEPARTMENT

Pp as

A draft order is submitted for approval.

Ag
4/2

3012

In U.S.

~~X~~ sent to C.I.B. on 8-2-41

A draft order is submitted.

8/2
8/2.

8/2
8.2.41.

The draft[X] order explains the proposal.

For approval.

6.2.41 Carr
S Secy

28/1/42

C.F. 17.

**DRAFT FOR APPROVAL.**

Development Dept.

| | Date. | Initials. |
|---|---|---|
| When received for fair copying. | | |
| When copied | 18/2 | |
| When examined | | |
| When signed | | |
| When despatched. | | |

SUBJECT :—

Acts and Rules - State Aid to Industries Act - Application from Sri. V. Sivaram Bhatt, Hospet - Loan - Sanctioned.

---

READ AGIAN....., dated.....19.....

" " ..... " .....19.....

READ *ALSO* :—

No.756 D/41 From the D. I & C. S.A No. 1173/39 dated 5-1- 1941.

" ..... " ..... " ..... " .....19.....

" ..... " ..... " ..... " .....19.....

**Order** / ~~Resolution~~ **Ms. Rout.** No. 254, dated 16.2.1942.

His Excellency the Governor of Madras is pleased to sanction, subject to the conditions set forth below, th grant of a loan of Rs. 500/- (Rupees five hundred only) to Sri V. Sivaram Bhatt, Hospet, Bellary district for the purpose of developing the oil-pressing industry on a cottage industry basis:-

(a) Sri V. Sivaram Bhatt and his parents shall execute a mortgage deed hypothecating to the Govt. as security for the due repayment of the loan with interest the wet lands and house owned by them valued at Rs. 1300 and the entir assets of the business;

(b) out of this loan, a sum of Rs. 300/- shall be utilised on the purchase of oil milling apparatus and the construction of sheds and the

A+B on p 11-12 (D)

A on p 2 of F

M on p 3 (D)

balance of Rs. 200/- for purposes of working capital,

(c) if it shall be proved to the satisfaction of the Govt. that the whole amount of the loan has not been fully applied to the purposes for which it is granted, the balance of the loan or such portion of it as the Govt. may determine, with interest and costs, if any, shall be deemed to become due at once and if, on demand, it is not paid, shall be recovered as prescribed in section 18 of the Madras State Aid to Industries Act;

(d)the loan will bear interest at 5 per cent per annum and it shall be repaid in five annual instalments (the first four instalments being of Rs. 115/- each and the fifth instalment being Rs. 117-7-0) the first instalment being payable on the 30th of June of every following year until the loan with interest has been repaid; for the period in excess of twelve months intervening between the date of disbursement of the loan and the 30th of June 1942 simple interest on the whole amount shall be paid with the first instalment;

(e) on every instalment which is not paid on the due date, penal interest at 7½ per cent per annum shall be levied up to the date of its payment,

(f) the annual instalments shall

be paid at the nearest Govt. Treasury to the credit of the Govt.,

(g) Sri V. Sivaram Bhat shall abide by all the provisions of the Madras State Aid to Industries Act, ~~(Act V of 1932)~~ and the rules framed thereunder.

2. The loan will be disbursed in one instalment on the execution of the mortgage deed referred to in para ~~1~~ 1 (a) ~~above~~.

3. The loan shall be disbursed from the provision in the current years budget under "Loans and Advances by Provincial Govt. f. Advances under special Laws (State Aid to Industries)".

To the D. I & C.
" A.G.thro' Fin.
" Fin. Dept.
" Collector of Bellary.